

STATE OF LOUISIANA LEGISLATIVE AUDITOR

Louisiana Technical College,
Florida Parishes Campus
Louisiana Community and
Technical College System
State of Louisiana
Greensburg, Louisiana

May 28, 2003



Financial and Compliance Audit Division

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Albert J. Robinson, Jr., CPA

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**LOUISIANA TECHNICAL COLLEGE,
FLORIDA PARISHES CAMPUS
LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA**

Greensburg, Louisiana

Management Letter
Dated May 6, 2003

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report has been made available for public inspection at the Baton Rouge office of the Legislative Auditor and at the office of the parish clerk of court.

May 28, 2003



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May 6, 2003

**LOUISIANA TECHNICAL COLLEGE,
FLORIDA PARISHES CAMPUS
LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA**
Greensburg, Louisiana

As part of our audit of the Louisiana Community and Technical College System's financial statements for the year ending June 30, 2003, we considered the Louisiana Technical College, Florida Parishes Campus' internal control over financial reporting; we examined evidence supporting certain accounts and balances material to the System's financial statements; and we tested the campus' compliance with laws and regulations that could have a direct and material effect on the System's financial statements as required by *Government Auditing Standards*.

The annual financial information provided to the Louisiana Community and Technical College System by the campus is not audited or reviewed by us, and, accordingly, we do not express an opinion on that financial information. The campus' accounts are an integral part of the Louisiana Community and Technical College System's financial statements, upon which the Louisiana Legislative Auditor expresses an opinion.

Based on the application of the procedures referred to previously, all significant findings are included in this letter for management's consideration.

**Insufficient Monitoring Procedures
Over Financial Transactions**

The Louisiana Technical College, Florida Parishes Campus did not have adequate monitoring procedures over revenue and expense transactions entered into the PeopleSoft accounting system, which is the primary accounting system used by the Louisiana Community and Technical College System and the individual technical college campuses. Adequate monitoring procedures are necessary to ensure that financial data are accurately and completely recorded, processed, and summarized and that errors and/or fraud are detected timely.

Our review of campus procedures during January 2003, disclosed the following:

Revenue

- Revenue data in the PeopleSoft accounting system had not been reconciled to supporting data from the QuickBooks accounting system. QuickBooks is used at the campus level to issue receipts to students for

LEGISLATIVE AUDITOR

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FLORIDA PARISHES CAMPUS
LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA**

Management Letter, Dated May 6, 2003

Page 2

tuition fees and book sales and to prepare quarterly reports for accounts receivable.

Expenses

- Payroll reports for the period July 1, 2002, to December 8, 2002, had not been obtained and reviewed to ensure that time and attendance data entered into the PeopleSoft accounting system were accurate and complete.
- PeopleSoft's leave reports had not been obtained and reviewed to ensure that annual and sick leave were accrued in accordance with Louisiana Community and Technical College System rules and regulations.
- PeopleSoft reports had not been obtained and reviewed to ensure that transactions were entered accurately and completely into the accounting system.

These conditions exist because management did not obtain appropriate training for the PeopleSoft accounting system; therefore, reports necessary for reviewing and reconciling financial transactions with supporting documentation were either not available or were not reviewed timely. Failure to establish adequate monitoring procedures over financial transactions may result in incomplete financial data and inaccurate financial reporting and errors and/or fraud may not be detected timely.

Management should establish adequate procedures and obtain appropriate training to timely monitor financial transactions for accuracy and completeness. Management concurred with the finding and recommendation and outlined a plan of corrective action (see Appendix A).

The recommendation in this letter represents, in our judgment, that most likely to bring about beneficial improvements to the operations of the campus. The nature of the recommendation, its implementation costs, and its potential impact on the operations of the campus should be considered in reaching decisions on courses of action.

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LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA

Management Letter, Dated May 6, 2003

Page 3

This letter is intended for the information and use of the campus and its management and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this letter is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Grover C. Austin". The signature is fluid and cursive, with a large, stylized initial "G".

Grover C. Austin, CPA
First Assistant Legislative Auditor

AD:STD:THC:ss

[LTCFPC03]

Appendix A

Management's Corrective Action Plan and Response to the Finding and Recommendation



James S. Clarke, Ph.D.
Acting Chancellor

CAMPUSES:

Acadian Campus
Alexandria Campus
Ascension Campus
Avoyelles Campus
Bastrop Campus
Baton Rouge Campus
Charles B. Coreil Campus
Delta Ouachita Campus
Evangeline Campus
Florida Parishes Campus
Folkes Campus
Gulf Area Campus
Hammond Area Campus
Huey P. Long Campus
Jefferson Campus
Jumonville Memorial
Campus
L. E. Fletcher Campus
Lafayette Campus
Lafourche Campus
Lamar Salter Campus
Mansfield Campus
Morgan Smith Campus
Natchitoches Campus
North Central Campus
Northeast LA Campus
Northwest LA Campus
Oakdale Campus
River Parishes Campus
Ruston Campus
Sabine Valley Campus
Shelby M. Jackson
Campus
Shreveport Bossier
Campus
Sidney N. Collier Campus
Slidell Campus
Sowela Campus
Sullivan Campus
T. H. Harris Campus
Tallulah Campus
Teche Area Campus
West Jefferson Campus
Westside Campus
Young Memorial Campus

**An Equal Opportunity
College**

LOUISIANA TECHNICAL COLLEGE

Office of the Chancellor

150 Third Street – Suite 200
Baton Rouge, Louisiana 70801
Telephone: 225/219-9532
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April 7, 2003

Grover C. Austin, CPA
First Assistant to the Legislative Auditor
Office of the Legislative Auditor
P. O. Box 94397
Baton Rouge, LA 70804-9397

Re: Insufficient Monitoring Procedures Over Financial Transactions

Dear Mr. Austin:

The Louisiana Technical College has received the audit finding referenced above relating to the Florida Parishes campus. Management concurs with the findings and recommendations related to "Insufficient Monitoring Procedures Over Financial Transactions." Every effort will be made to provide additional training to personnel and to provide access to appropriate accounting financial reports. Upon completion of the training process, Florida Parishes accounting staff will have a better understanding of the PeopleSoft system and the financial reports that can be requested to accurately evaluate and monitor financial transactions.

The contact person responsible for corrective action is Beth Sigler.

Sincerely,

James S. Clarke, Ph.D.
Acting Chancellor

JSC/pgj

C: Dr. Walter G. Bumphus (LCTCS President)
Mr. Wayne Meaux (Assistant Chancellor)
Ms. Sharon Hornsby (Florida Parishes Campus Administrator)
Mr. Allen Brown (LCTCS Internal Audit Director)
Ms. Jan Jackson (LCTCS Vice President for Finance/Administration)
File